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ACTION EAP-01

INFO LOG-00 ACDA-15 AID-01 AMAD-01 CIAE-00 COME-00 C-01  
DODE-00 EB-01 HA-09 H-01 INRE-00 INR-01 IO-19  
LAB-04 L-03 ADS-00 M-01 NSAE-00 NSCE-00 OIC-02  
OMB-01 PA-01 PM-01 PRS-01 P-01 RP-10 SIL-01  
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USIE-00 FMP-01 /102W

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P 240848Z FEB 92  
FM AMCONSUL GUANGZHOU  
TO SECSTATE WASHDC PRIORITY 4220  
AMEMBASSY BEIJING PRIORITY  
AMCONSUL HONG KONG PRIORITY

DEPARTMENT OF STATE  
( ) RELEASE ( ) DECLASSIFY  
( ) EXCISE ( ) DECLASSIFY  
( ) DENY IN PART EO Citations

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FOIA Exemptions ( ) CLASSIFY as ( ) S or ( ) C Sec.  
Exemptions ( ) DOWNGRADE TS to ( ) S or ( ) C

BEIJING AND HONG KONG ALSO FOR USIS

E.O. 12356: DECL:OADR  
TAGS: PHUM, ETRD, PREL, PGOV, OPRC, CH  
SUBJECT: (C) REUTERS REPORTER ASKS ABOUT CONGEN  
INVESTIGATION OF GUANGDONG PRISON EXPORTS TO  
U.S.

REFS: A) 91 GUANGZHOU 1143  
B) 91 HONG KONG 1622N

1. CONFIDENTIAL - ENTIRE TEXT.

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2. LYNNE O'DONNELL, WHO IDENTIFIED HERSELF AS A  
REPORTER FOR REUTERS OUT OF HONG KONG, CALLED MONDAY  
AFTERNOON (FEBRUARY 24) TO ASK ABOUT A "COVERUP" OF AN  
INVESTIGATION BY CONGEN GUANGZHOU CONCERNING SHOES MADE  
IN THE "FLOWER CITY" (HUACHENG) PRISON FOR EXPORT TO  
THE U.S. SHE SAID, ACCORDING TO HER INFORMATION (SHE  
DECLINED TO PROVIDE HER SOURCE), "TWO CONSULATE  
OFFICERS" IN JANUARY 1991 HAD GAINED "ACCESS TO  
UNAUTHORIZED AREAS" OF HUACHENG PRISON, WHERE THE SHOES  
WERE BEING MADE. SHE ALSO SAID THE HONG KONG EXPORT  
FIRM "MABUEL" OR "EDDIE L/U," WHICH HAD CONTRACTED FOR  
THE SHOES AND PLANNED TO EXPORT OR WAS EXPORTING THE  
SHOES TO THE U.S. IN VIOLATION OF U.S. LAW, HAD MOVED  
PRODUCTION "OUTSIDE OF THE PRISON TO ANOTHER LOCATION"  
AFTER BEING FORMALLY CONTACTED BY THE CONSULATE.

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3. O'DONNELL ALSO SAID REPORTS FROM THE CONSULATE ABOUT THIS PRISON AND ITS MADE FOR EXPORT TO THE U.S. SHOES HAD BEEN KEPT FROM U.S. CUSTOMS, WHICH HAS THE RESPONSIBILITY OF ENFORCING THE U.S. LAW. SHE ASKED IF THE CONSULATE WAS AWARE OF THIS AND IF IT HAD COMMUNICATED (OR FAILED TO COMMUNICATE) ANY INFORMATION ON THIS ISSUE TO U.S. CUSTOMS. O'DONNELL ALSO ASKED ABOUT THE STATE OF NEGOTIATIONS ON A PRISON LABOR MOU BETWEEN THE U.S. AND CHINA.

4. WE DECLINED TO COMMENT ON THE STORY EXCEPT TO MAKE CLEAR, OFF THE RECORD AND "NOT FOR ATTRIBUTION," NO CONSULATE PERSONNEL HAD EVER GAINED "ACCESS TO UNAUTHORIZED AREAS" OF ANY PRISON IN OUR CONSULAR DISTRICT. WE SUGGESTED QUESTIONS ABOUT THE EXPORT OF  
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CHINESE PRISON LABOR PRODUCTS TO THE U.S. BE ADDRESSED TO EMBASSY BEIJING, THE DEPARTMENT OF STATE IN WASHINGTON, OR U.S. CUSTOMS EITHER IN HONG KONG OR WASHINGTON. WE DID PROVIDE A GENERAL BRIEFING (AGAIN, OFF THE RECORD) ON PRISON LABOR PRODUCTION IN GUANGDONG PROVINCE SAYING, IN SUMMARY, WE DOUBTED, BECAUSE OF QUALITY CONTROL FACTORS, VERY MANY PRISON MADE PRODUCTS IN GUANGDONG PROVINCE WERE EXPORTED TO THE U.S. OR ANYWHERE ELSE FOR THAT MATTER.

5. O'DONNELL'S INFORMATION, WITH A FEW DISTORTIONS, WAS VERY SIMILAR TO THAT PROVIDED IN REFTELS. WE EXPECT SHE WILL BE CONTACTING, IF SHE HAS NOT ALREADY DONE SO, BEIJING AND HONG KONG.

HARTER

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